

BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

ROBERT "BOB" BURNS, Chairman
BOYD DUNN, Commissioner
SANDRA D. KENNEDY, Commissioner
JUSTIN OLSON, Commissioner
LEA MARQUEZ PETERSON, Commissioner

IN THE MATTER OF POSSIBLE
MODIFICATIONS TO THE ARIZONA
CORPORATION COMMISSION'S ENERGY RULES

Docket No. RU-00000A-18-0284

**Materials Presented by the Joint Stakeholders at the Commission's
March 2020 Energy Rules Workshop**

On behalf of the [30 Joint Stakeholders who filed a comprehensive framework for the future of Arizona's Energy Rules](#), the Southwest Energy Efficiency Project (SWEET) would like to thank Chairman Burns, Commissioners, and Commission Staff for allocating time on the Commission's March 2020 Energy Rules Workshop agenda to allow Briana Kobor of Vote Solar to present on behalf of the Joint Stakeholders.

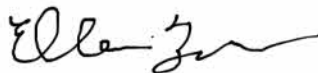
The Joint Stakeholders appreciate the opportunity to provide the Commission with the slides that Ms. Kobor presented at the Workshop (attached herein as "Appendix A").

The Joint Stakeholder presentation covered the following topics for the Commission's consideration including the Joint Stakeholders' recommendations on:

1. Clean energy goals versus standards,
2. The structure of the clean energy rules under consideration by the Commission,
3. Renewable energy,
4. Clean energy,
5. Distributed generation,
6. Electric energy efficiency,
7. Just transition, and
8. Integrated resource planning

We welcome your input and are available to answer any questions you may have regarding the Joint Stakeholder proposal.

We respectfully submit these comments on March 18th, 2020.



Ellen Zuckerman
Arizona Representative, SWEET

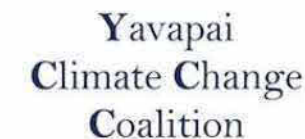


Caryn Potter
Program Associate, SWEET

APPENDIX A

Joint Stakeholder Energy Rules Proposal

Arizona Corporation Commission
Briana Kobor, March 10, 2020



Presentation Outline

1. Goals versus Standards
2. General Structure of Rules
3. Renewable Energy
4. Clean Energy
5. Distributed Generation
6. Electric Energy Efficiency
7. Just Transition
8. Integrated Resource Planning

Goals vs Standards

Joint Stakeholders propose enforceable standard

- Renewable Energy Credits (RECs) are the standard compliance mechanism used throughout the United States
 - Measurable
 - Tradable
 - Known Financial Mechanism
- Current REST Standard Uses RECs for compliance
- Joint Stakeholders propose RECs and Clean Energy Credits (CECs) for compliance

Goals vs Standards

Joint Stakeholders propose enforceable standard

- Staff's Third Revised Draft Rules do not require RECs for compliance
- Compliance measured based on demonstrated delivery of energy from clean and renewable resources based on:
 - Transmission rights
 - Control area operator scheduling
 - Source energy information for energy storage
- Joint Stakeholders concerns with Staff's Standard
 - Less transparent
 - Administratively burdensome
 - Potential for double-counting

General Structure of Rules

Joint Stakeholders propose standards separate from planning rules

- Arizona Administrative Code
 - ARTICLE 7: Resource Planning and Procurement
 - ARTICLE 18: Renewable Energy Standard and Tariff
 - ARTICLE 24: Electric Energy Efficiency Standards
- Staff's Third Proposed Rules
 - ~~ARTICLE 7: Resource Planning and Procurement~~
 - ~~ARTICLE 18: Renewable Energy Standard and Tariff~~
 - ~~ARTICLE 24: Electric Energy Efficiency Standards~~
 - New ARTICLE 27: Energy Rules
 - Renewable Energy Standard and Energy Efficiency "Report" contained within Resource Planning and Procurement rules
- Joint Stakeholders support current structure

Renewable Energy

Joint Stakeholders propose 50% by 2030



Standards

- Comm. Dunn
- Comm. Kennedy
- ACC Staff*
- Joint Stakeholders

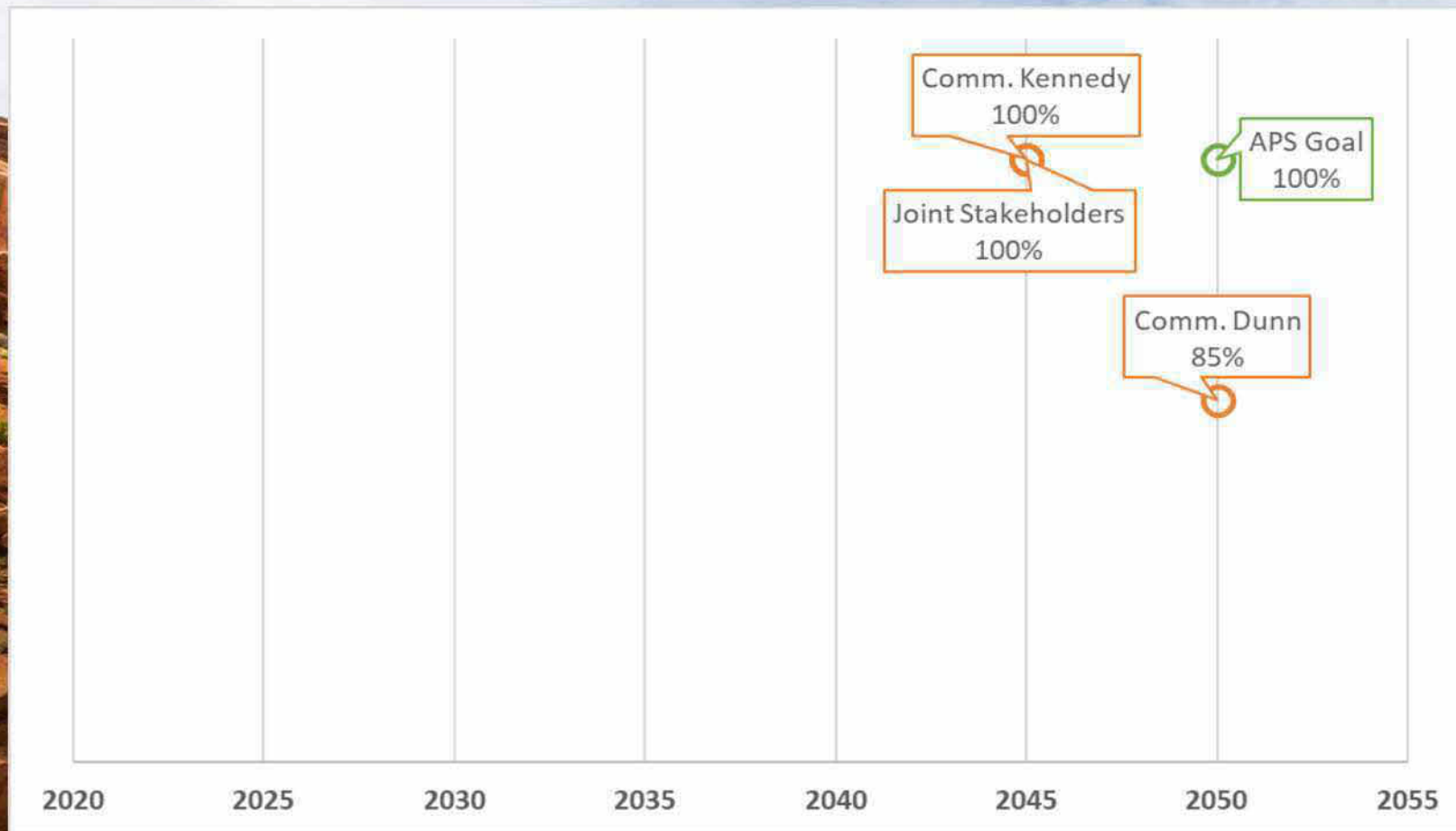
* Does not require RECs for compliance

Goals

- APS Jan 2020 Announcement
- TEP 30 by 30 Plan

Clean Energy

Joint Stakeholders propose 100% by 2045



Standards

- Comm. Dunn
- Comm. Kennedy
- Joint Stakeholders

Goals

- APS Jan 2020 Announcement
- TEP GHG reduction goal expected summer 2020
- SRP 90% carbon reduction by 2050

Other

- ACC Staff "Clean Peak"

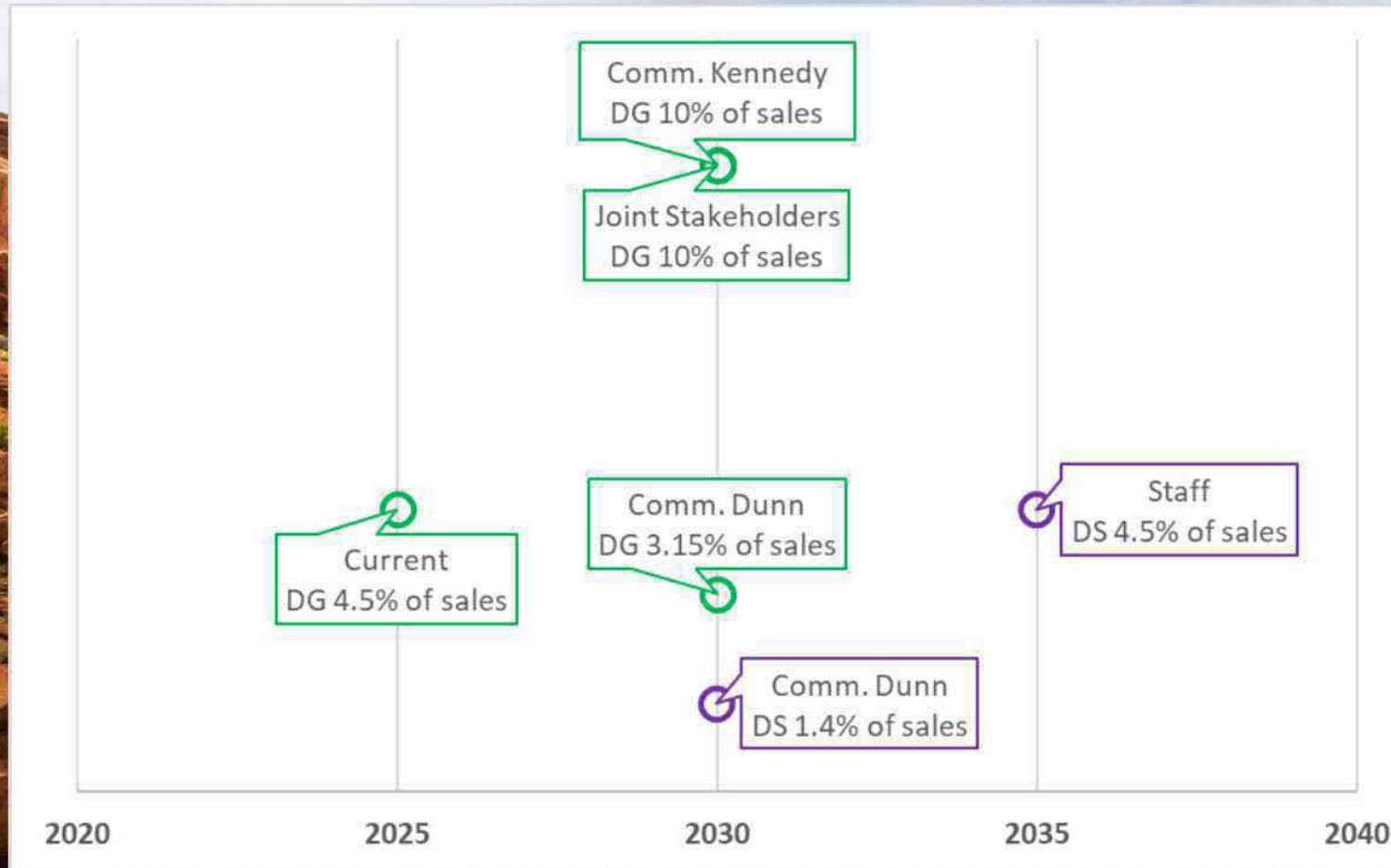
Distributed Generation

Joint Stakeholders propose maintaining current definition

- Staff Third Revised Draft Rules significantly alters the definition of Distributed Generation
 - Current R14-2-1801(E): “Distributed Generation” means electric generation **sited at a customer premises**, providing electric energy to the customer load on that site [...].
 - Staff’s Proposed Rules: “Distributed Generation” means any type of electrical generator [...] that is **located on the distribution system**, any subsystem of the distribution system, or behind the Customer meter.
- Removes requirement for customer siting, allows any generation connected to the distribution system to qualify

Distributed Generation and Storage

Joint Stakeholders propose 10% of sales by 2030



Distributed Generation

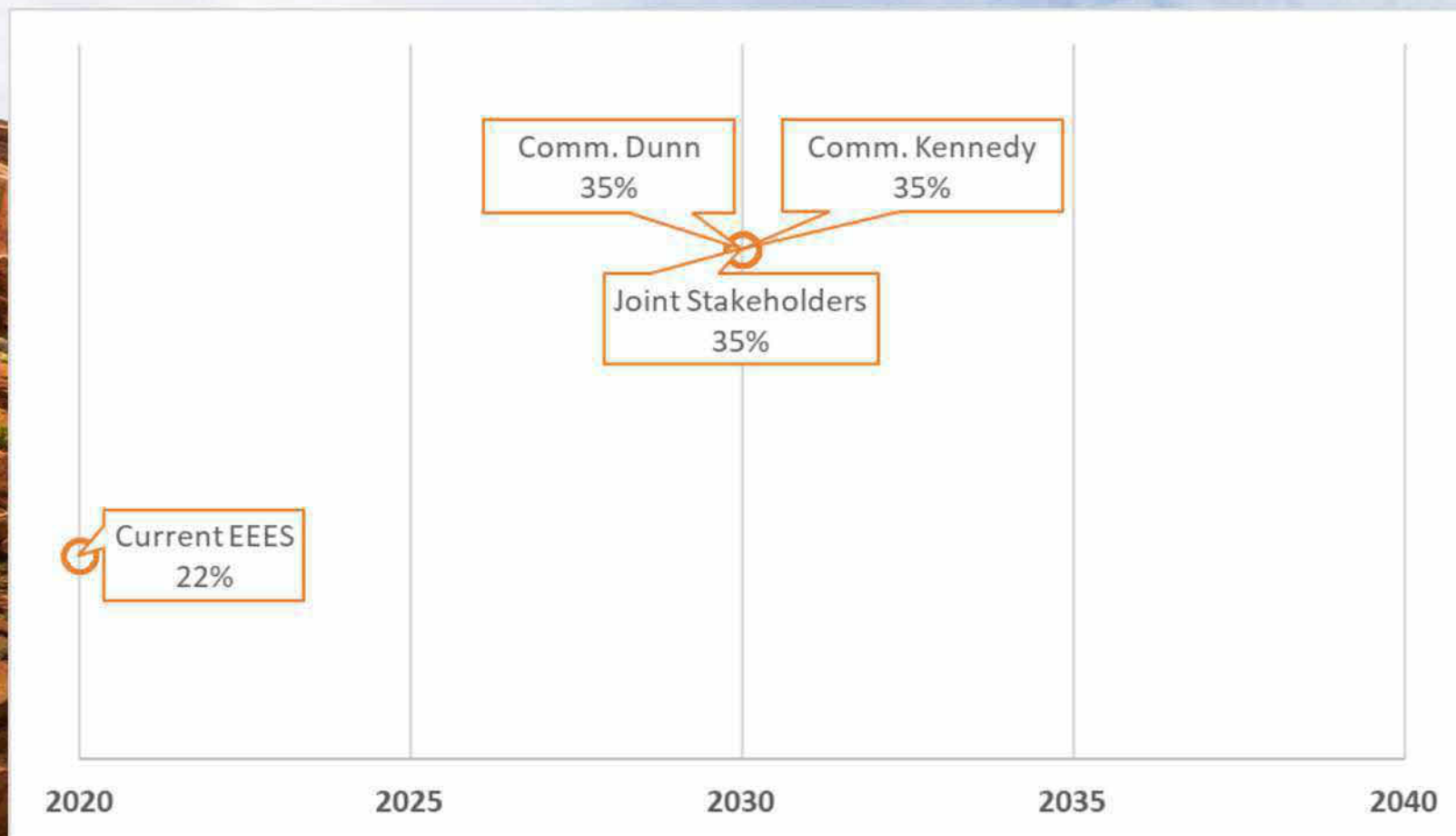
- Current: 30% of 15% REST by 2025, compliance measured through RECs
- JSP: 10% of sales by 2030, compliance measured by production meters
- Comm. Kennedy: supports JSP
- Comm. Dunn: 9% of 35% REST by 2030

Distributed Storage

- Comm. Dunn: 4% of 35% REST by 2030
- Staff: 10% of 45% RES by 2035, measured by production meters

Electric Energy Efficiency

Joint Stakeholders propose 35% by 2030



Standards

- Comm. Dunn
- Comm. Kennedy
- Joint Stakeholders

Report – Staff Proposal

- No amount of EE required
- Utilities can propose no EE
- Moves cost recovery to rate case, transition from current adjustors unclear

Just Transition

Joint Stakeholders propose just transition for impacted communities

- Just Transition is critical to an equitable path towards clean energy, Joint Stakeholders strongly urge consideration in this rulemaking
- JSP R14-2-706(G) Resource Plan Development
 - In selecting the Preferred Resource Plan: “shall consider [...] opportunities to site renewable facilities in communities where conventional generation has been retired [...]
- JSP R14-2-1811 Renewable Energy Compliance Reports
 - Shall include: “9. A discussion of the type and scale of Eligible Renewable Resources proposed in or near communities, including but not limited to tribal communities, impacted by the Affected Utility’s closure of a Conventional Energy Resource and reasons why those Renewable Energy Resources were chosen or rejected.”

Integrated Resource Planning

Joint Stakeholders support increase in engagement opp. and accountability

- Staff's Third Revised Draft Rules make significant improvements:
 - All source RFP required to inform planning
 - Increased accountability
 - Action Plan “approved” rather than “acknowledged”
 - ACC authority to disallow recovery in future rate case
 - Improvements to Preliminary IRP Process and content requirements
- Areas of improvement needed:
 - Planning period of 15 years should be maintained
 - Stakeholder engagement process
 - Just Transition planning
 - Reframe load forecast to needs assessment incl. evaluation of existing resources
 - Others as detailed in JSP Letter filed March 6, 2020

Questions?

